

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND REVENUE
APPROPRIATIONS SUBCOMMITTEE**

Room W140 West Office Building, State Capitol Complex

January 25, 2007

Members Present: Rep. Sheryl Allen, Co-Chairman
Sen. Gene Davis
Rep. Julie Fisher
Rep. Steven R. Mascaro

Members Excused: Sen. Bill Hickman, Co-Chairman
Sen. Dan Eastman
Rep. Jim Bird
Rep. Jackie Biskupski

Staff Present: Dr. Andrea Wilko, Fiscal Analyst
Juliette M. Tennert, Fiscal Analyst
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 2:10 pm.

Dr. Andrea Wilko, Fiscal Analyst, gave an overview of the Office of Tourism. The purpose of the Office is to increase the quantity and quality of tourism in the state. The programs include Administration, Advertising and Marketing, Operations and Publications, and the Film Commission. Last year \$3,000,000 was appropriated for Advertising from the Tourism Marketing Performance Fund, but was not appropriated from the General Fund to the restricted account. The Analyst recommended that this be rectified this year with a supplemental appropriation. The \$6,000,000 amount for this year will also need to be appropriated to the Tourism Marketing Performance Fund. Senate Bill 127 is being introduced to address the issue in the future. The Office has requested \$7,000,000 and this request will need to be prioritized. The Film Commission has requested \$5,000,000 for the Motion Picture Incentive Fund, \$3,500,000 in ongoing funds and \$1,500,000 in one-time funds.

Jason Perry, Executive Director, Governor's Office of Economic Development, stated that travel and tourism play an important role in the state's economic development.

Leigh Von Der Esch, Director, Governor's Office of Tourism, reported on the work and accomplishments of the past year and distributed a tourism information packet to the committee. A film clip for the "Utah Life Elevated" campaign was shown. Areas covered included organization, promotion efforts, operational and marketing spending, advertising guidelines, cooperative marketing programs and the impact of tourism in the state.

Kim McClelland, Chair, Board of Tourism Development, spoke of the benefit that has come to the state by the tourism industries working together to increase tourism in Utah.

Leigh Von der Esch answered questions from the committee about advertising and markets.

Aaron Syrett, Director, Utah Film Commission, spoke about the use of incentives in attracting film makers to Utah. Utah's incentive program helps the state compete with other states for film industry business.

Don Schain, Film Producer, spoke on behalf of the Motion Picture Association of Utah. His film, *High School Musical* was filmed in Utah in part because of incentives. *High School Musical 2* will also be filmed in Utah. The incentive process was explained. Utah's incentives are post performance and the financial benefit to the state is immediate. The Film Commission's statistics show that fifteen dollars come into the state for every dollar paid out through incentives.

Aaron Syrett gave a brief summation of the economic impact charts included in the packet.

Bob Carter, CEO, Flying Sensors, spoke as a member of the Utah Motion Picture Association and as a businessman involved in economic development. He gave his support to funding the Motion Picture Incentive Fund and stressed the beneficial economic impact.

Leigh Von Der Esch gave statistics on the growth in revenue from hotel taxes which were higher than surrounding states and acknowledged the partners who worked with the Office of Tourism. Included in the packet are the one page travel information sheets and the Utah travel guide. The Office has requested \$13,000,000 for the Tourism Marketing Fund: \$6,000,000 from the Restricted Fund and \$7,000,000 from the General Fund. The Office supports Senate Bill 127 and has requested \$5,000,000 for the Motion Picture Incentive Fund.

MOTION: Rep. Mascaro moved the meeting adjourn. The motion passed unanimously with Sen. Hickman, Sen. Eastman, Rep. Bird, Rep Biskupski absent for the vote.

Rep. Allen adjourned the meeting at 2:25 pm.

Sen. Bill Hickman, Co-Chair

Rep. Sheryl L. Allen, Co-Chair

